

THE PRESIDENT'S INTELLIGENCE CHECKLIST

1 MAY 1962
~~TOP SECRET~~

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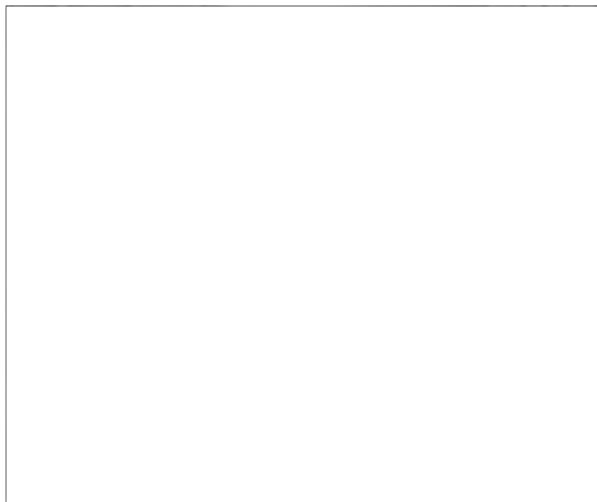
1. May Day celebrations



Thus far, they have been notably uneventful. Except for the Chinese Communists' reaffirmation of fidelity to the memory of Stalin, observances in bloc countries have been strictly routine. As the day wears on in the Western Hemisphere, however, the chances remain fair that some May Day celebrations will end in violence.

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2. Laos

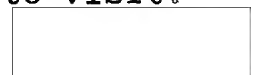


a. Before Phoumi took off on his current search for aid and solace, he assured Ambassador Brown that he had decided to shelve plans for the formation of a king's government. He has also sent a message to Souvanna offering to resume negotiations. Brown noted that Phoumi seems concerned about his present relations with the US and intimated he would like to visit Washington to receive assurances about the future of his country. Phoumi discussed the defense and interior posts problem in a rational manner for the first time, in Brown's view, but he also evidenced concern as to how he can improve his present position without too great a loss of face.

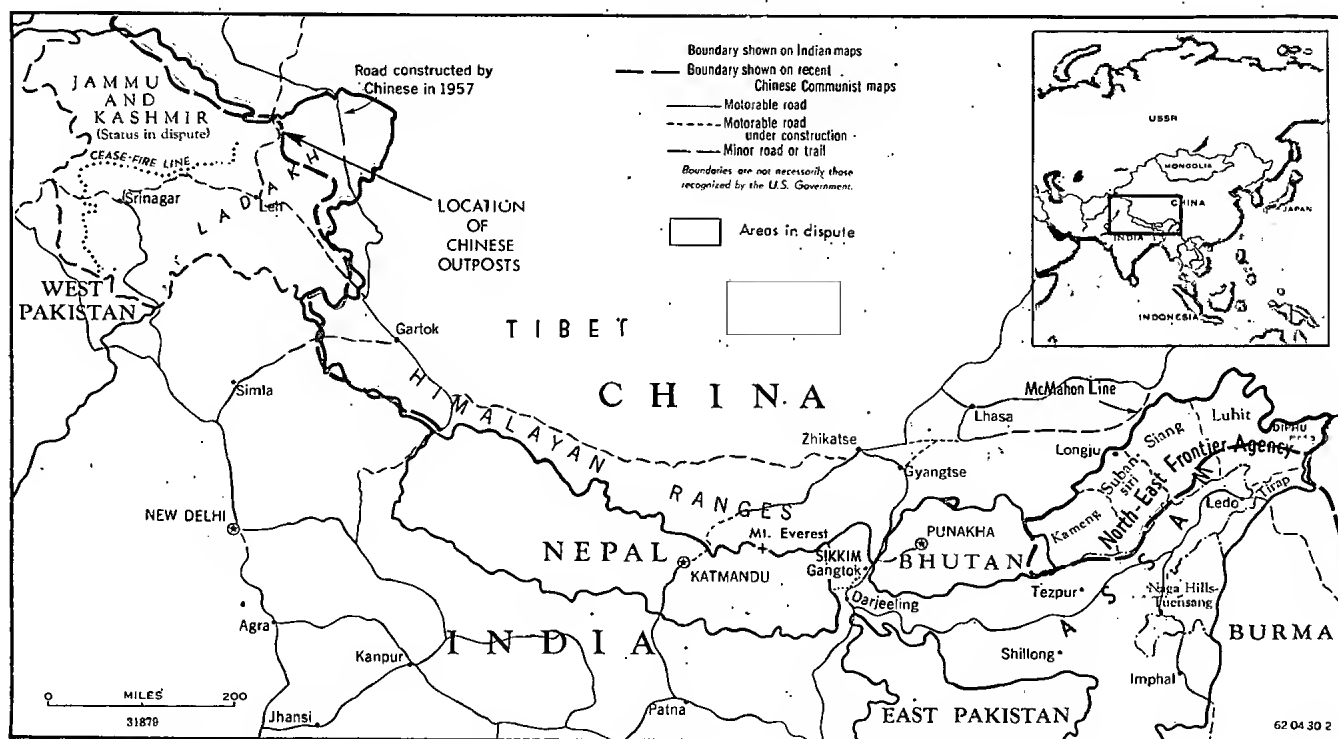
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b. The Phoumi-Boun Oum mission received a sympathetic reception in Bangkok, but precious little in the way of economic assistance. The Laotians appear to be discouraged over the prospects of obtaining much moral or material support from the other countries they plan to visit.

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COMMUNIST CHINA - INDIA BORDER AREA



50X1

[redacted] steady deterioration of the Laotian economy during the past few weeks. Fast dwindling foreign exchange holdings, heavy borrowings from the national bank, and the ordering of a large quantity of new currency notes are all symptomatic of pending inflation. A more immediate threat to political stability, however, are indications that the government is increasingly unable to pay its bills and that the cancer of corruption is spreading throughout its administrative structure.

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3. Sino-Indian border dispute

a. New Delhi has apparently decided to grasp the nettle of creeping Chinese Communist aggression in the Ladakh area [redacted]

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After capturing a small Chinese outpost in northern Ladakh last week, Indian troops are preparing a follow-up attack on a much larger installation farther east. Peiping has not yet reacted, but probably will do so soon. [redacted]

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4. Congo

The next round of the Adoula-Tshombé discourse will probably commence in Leopoldville on Friday. Adoula, worried that a prolonged parley will dangerously erode his political position, has hinted that he might soon be forced to take matters into his own hands. As of last Saturday, however, he was still professing an intention to work for a solution of the Katanga problem in cooperation with the United Nations. 50X1

5. Battle lines shaping up in Guatemala

It is beginning to look more and more like Ydigoras and the military against everyone else, with a showdown seemingly close at hand. Non-Communist opposition parties, accusing the president of "intransigence and political blindness," have broken off negotiations for a compromise settlement and are joining with the pro-Communists in demanding his immediate resignation. Meanwhile, the president's efforts to form a cabinet composed of non-partisan elder statesmen are not encountering much success, probably because the gentlemen in question are understandably unenthusiastic about taking up positions in no-man's land just as both sides are preparing to start shooting. 50X1

NOTES

- A. Chinese Communist press coverage of this year's harvest prospects is marked by deep anxiety over the possibility of a fourth consecutive year of "natural adversity." [redacted] 50X1
- B. A flare-up of fighting is probably in store for Angola when the rainy season ends this month as nationalist forces [redacted] strengthened by arms and money obtained from various African countries, are preparing to intensify their military campaign against the Portuguese. [redacted] 50X1
- C. Thai and North Vietnamese Red Cross authorities have tentatively agreed to extend beyond June their joint program of evacuating to North Vietnam some 70,000 Vietnamese who took refuge in north-east Thailand during the Indochina war. To date, more than 30,000 of these people have been repatriated. The Thais regard the presence of these Vietnamese in the restive northeast portion of Thailand as a serious security threat. [redacted] 50X1
- D. Political tension continues to run high in Baghdad. Recent indications of unrest are: a Communist-led demonstration which killed and wounded 10 persons; the arrest of several members of the opposition party on charges of coup plotting; [redacted] 50X1

LATE NOTE

The two army sergeants captured by the Viet Cong early last month were recovered today, apparently in good health, by South Vietnamese forces. It is not yet clear whether they escaped or were released by their captors. [redacted] 50X1

THE DIRECTOR OF CENTRAL INTELLIGENCE